

City of Dubuque/Teamsters 421 (mixed)(Transit)(Fire Flags) 2004-2005  
IN THE MATTER OF THE ARBITRATION CEO'S 229/503/64  
Sector 8

BETWEEN

CITY OF DUBUQUE,

Employer,

vs.

TEAMSTERS LOCAL #421,

Employee  
Organization.

**ARBITRATION AWARD**

**Wilford H. Stone, Arbitrator**

**Issued: May 2, 2005**

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**A. APPEARANCES**

**For City of Dubuque:**

Randy Peck, Personnel Manager  
Don Vogt, Public Works Director  
Gil Spence, Leisure Services Manager

**For Teamsters Local #421:**

Jill Hartley, Attorney  
Dave Baker, President  
Mark A. Neyens, #421 Public Works Garage  
Randall P. Ludowitz, #421 Public Works  
Bob Blondin, #421 Public Works  
John Gotto, #421 Public Works  
David Birch, #421 Parks  
Patti Trowbridge, Parks

**B. INTRODUCTION/STATEMENT OF JURISDICTION**

The undersigned was selected to serve as an arbitrator from a list furnished to the parties by the Public Employment Relations Board. Pursuant to the parties' agreement, the hearing was held beginning at 10:00 a.m., April 22, 2005, in a conference room at the City Hall in Dubuque, Iowa. The hearing was electronically recorded. No subpoenas were requested and no stenographic recordings were requested.

In the course of the hearing, both parties submitted their evidence and were given full opportunity to introduce evidence, facts and present argument, rebuttal and surrebuttal in support of their respective positions. The majority of the evidence was submitted through the parties' representatives, Randy Peck, Jill Hartley, and Dave Baker. Two witnesses testified: Bob Blondin and Patti Trowbridge. The matter is now fully submitted. Representatives for both parties (Randy Peck, Jill Hartley and Dave Baker) vigorously argued their positions, and the oral presentations and arguments were of considerable assistance to the arbitrator. The parties chose not to submit post-hearing briefs, and the April 22, 2005, hearing was closed around 1:00 p.m. The award set forth below is based on the arbitrator's weighing of all the facts, evidence and arguments submitted.

### **C. EXHIBITS**

The parties both submitted notebooks containing their exhibits. All the exhibits were admitted without objection.

### **D. ARBITRATION CRITERIA**

Iowa Code Chapter 20 contains specific criteria that are to be used by an arbitrator in assessing the reasonableness of the parties' arbitration proposals. The criteria set forth in Iowa Code § 20.22(9) (2005) states:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
2. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.

3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its business.

The Iowa Code requires that the arbitrator must choose between the City of Dubuque's final offer, or Teamsters Local #421's final offer on each impasse item. Iowa Code § 20.22(3) (2005). The Iowa Code further provides that the arbitrator must select, without alteration, the most reasonable of the positions on each of the items at impasse and consider the statutory criteria in arriving at the decision as to which is the most reasonable. See Iowa Code § 20.22(11) (2005).

#### **E. ITEMS AT IMPASSE/FINAL OFFERS**

1. **Article 27 – Night shift premium pay.**

**City Position.** Current contract – no change.

**Union Position.** The Union proposes to increase each paragraph of Article 27 by \$.25 per hour effective July 1, 2005.

2. **Article 29 – Group Insurance.**

**City Position.** The City proposes changes to Sections 1, 7, and 9 of this Article. See Union Exhibit 2. Effective July 1, 2005, the City proposes that employees shall pay 10% of the cost of the premium established for the health and prescription drug insurance plan for which the employee is enrolled; the City also proposes to continue to pay its portion of the group insurance premiums for a period up to 14 months from the date an employee is absent due to illness or injury, but in no event longer than the employee's length of continuous service in a full-time position; and the City also proposes to provide IRS Section 125 flexible

spending accounts for medical and dependent care expenses and health, prescription, drug and dental insurance premiums.

**Union Position.** Current contract – no change. See Union Exhibit 1.

3. **Article 31 – Wage Plan<sup>1</sup>.**

**City Position.** The City proposes to increase all employees effective July 1, 2005, by 5.4% across the board; it also proposes effective July 1, 2005, to increase Addendum B – Wage Plan by 3% across the board; and it proposes no change to the “callback” provision in Article 28.

**Union Position.** The Union proposes a wage increase to all employees effective July 1, 2005, of 3.47% across the board. Effective July 1, 2005, the Union also proposes an increase to Addendum B for long-term seasonal employees of an additional \$.40 per hour, in addition to the 3.47% across the board increase to the wage plan. Finally, the Union argues that the “callback” provision in Article 28 is a separate item for impasse, and urges the arbitrator to increase on-call pay for sewer maintenance employees, traffic signal technicians, and certain snow removal employees (those who are assigned to the day shift) who are placed on call 24 hours on holidays and 48 hours on weekends from two hours pay to four hours pay effective July 1, 2005. See footnote 1.

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<sup>1</sup>The parties were unable to agree on whether the issue of “callback,” in Article 28, is a separate item for impasse in and of itself, or whether it constitutes a “wage” issue under Iowa Code § 20.9 (2005). The Union claims that the “callback” issue is a separate item and can be ruled upon independently from the wage final offer of either party. The City argues otherwise, and claims that the “callback” provision constitutes a “wage” item and that the arbitrator can only rule on either the City’s or the Union’s final offer on wages which must include the “callback” language. It is somewhat confusing, as the City’s “Proposal for Arbitration” (City Exhibit 2) lists “callback” separately from the “wage” issues, and, according to the Union, always bargains it separately. However, City Exhibit 2 merely lists the articles for resolution in numerical order, not by impasse item. Neither party submitted any PERB authority on the issue, although at least one other arbitrator has found the “callback” issue to constitute “wages.” See Arbitrator Powers’ October 28, 2004, award at page 9. The arbitrator believes that the “callback” language is a “wage” item, but will also consider it as a separate impasse item, and determine which of the parties’ final offers on the issue is most reasonable.

## F. BACKGROUND

The City of Dubuque, Iowa, is located in northeastern Iowa on the Mississippi River. The City's population is approximately 58,000. The City employs approximately 521 employees in five bargaining units (police, fire, transit, operating engineers, and mixed/clerical) (333 employees, or 64%) and a group of non-organized employees (188 employees, or 36%). Teamsters Local #421 represents several of the units: transit (the bus drivers) and the mixed/clerical unit at impasse in this case, which is a "wall-to-wall" unit containing such job classifications as clerks, laborers, drivers, mechanics, and traffic signal technicians that work in the public works and parks and recreation departments, among others. See collective bargaining agreement at page 24. This Union is the largest unit in the City of Dubuque with 120 employees. Currently, 111 of these 120 employees are using the City's health insurance: 16 single, 39 single plus one dependent, and 56 family. City Exhibit 26. According to the City, the mixed/clerical unit is also one of the most stable and well paid units in the City, as the average employee has worked with the City around 18 years and makes around \$40,000 per year plus benefits. The City claims that the last several job openings (truck driver and part-time maintenance worker) produced literally hundreds of applications for the jobs.

In any event, the current collective bargaining agreement expires June 30, 2005. The parties have reached agreement on all issues except for those discussed below. All other articles of the contract will remain unchanged, or have been resolved by the parties themselves.

**G. POSITIONS OF THE PARTIES AND FINDINGS OF FACT<sup>2</sup>**

**1. Article 27 – Night Shift Premium Pay.**

**A. City Position.** The City proposes to continue with the existing language of the agreement, and argues that an increase of \$.25 per hour for night shift premium pay is out of line. The City presented several exhibits which it claims show that the current level of shift premium payment is consistent with the level of shift premium payments for other City employee groups (City Exhibit 41) and also the shift premium for other cities in the comparison group (City Exhibit 42). The City argues that since the wage rates for employees represented by the Teamsters are one of the highest among the comparison groups, an increase in the shift premium payment is not warranted. The City notes that its employees rank either first, second or third in literally all job classifications, and that they do not require additional compensation for work performed during a specific shift. See City Exhibit 8 and narrative at page 38.

**B. Union Position.** The Union argues that there have been no changes to this night shift premium since 1979, and that it is "time for a change." The Union argues that its proposal will not affect a large number of employees, and would mostly affect the approximately 26 salt crew employees who work this particular shift. The Union argues that in the comparability group, those employees in Waterloo, Cedar Rapids, and Davenport, receive a higher night shift premium than Dubuque employees. See Union Exhibit 4.

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<sup>2</sup> The background and all exhibits submitted by the parties are incorporated into all findings of facts and conclusions of law. All references to "insurance" in this award collectively refer to the Health and Prescription Drug Insurance Plan at issue. The parties have similarly collectively referred to the entire package as merely "insurance." See Union Opening Statement at 4 and City brief at 8.

**C. Findings of Fact.** While called the "night shift premium pay" by the parties, this article is in reality broader than just "nights," as it governs various shift differentials between the parties: those on the 3:00 p.m. to 11:00 p.m. shift, those on the 11:00 p.m. to 7:00 a.m. shift, those employees in the park and recreation department who are assigned to ice rink flooding duties, those employees assigned to salt crews on split shifts, a mechanic assigned to the garage on a split shift, and a garage service worker assigned to the transit garage on a split shift. See collective bargaining agreement at 18-19.

In any event, the Union proposes to increase everyone covered by this article \$.25 per hour. The Union claims that there have been no changes since 1979, that it only affects a small amount of employees (around 34) and mostly concerns the 26 salt crew employees assigned to work the split shift.

The evidence on comparability is mixed. Compare City Exhibit 41 and 42 with Union Exhibits 4-12. The Union argues that the cities of Waterloo, Cedar Rapids, and Davenport, enjoy larger shift differentials. On the other hand, the City argues that the City of Des Moines has no shift differentials (see City Exhibit 42) and that the City employees are already well paid according to the comparability group. See City Exhibit 8.

On this record, the arbitrator is reluctant to change the current "night shift premium pay" differentials. The current second and third shift differentials are not out of line with comparable employers, particularly when compared to the various maximum rates in the comparison cities. Compare City Exhibits 42 and 48. A careful review of every collective bargaining agreement produced by the Union (Union Exhibits 4-12) also reveals no shift differentials targeting specific employees

assigned to flooding ice rinks, salt crews, and others on split shifts. For example, Waterloo pays its "Water Pollution Control – State Certificate" a differential. See Union Exhibit 4. Such differentials for these different classifications may be clearly appropriate in Dubuque, but the rationale for increasing them now was not explained to the arbitrator. Information regarding the collective bargaining history between the parties and the collective bargaining history in the comparability group might have shed further light for the arbitrator to place the Union's proposal into better prospective. Moreover, the arbitrator is unable to determine from this record whether the shift premium for this group of employees is ever linked to the shift premiums for other internal City of Dubuque employees. See City Exhibit 41.

The arbitrator also believes, given the comparability information (or lack thereof), that it is in the public interest and welfare to continue the same language regarding compensation for differentials in the night shift premium pay article.

Accordingly, based on the collective bargaining history of the parties, a comparison to other public employees doing comparable work, the interest and welfare of the public, and the ability of the City of Dubuque to fund the existing night shift premium pay, the arbitrator believes that the City's proposal on night shift premium pay is the most reasonable.

**2. Article 29 – Group Insurance.**

**A. City Position.** The City proposes to make changes to Sections 1, 7 and 9 of this Article. See Union Exhibit 2 (City of Dubuque's last offer). The City proposes that effective July 1, 2005, employees shall pay 10% of the premium established for the health and prescription drug insurance plan for which the employees enroll. See narrative at 24. The City argues that since the City self-

funds the health and prescription drug insurance plans, the premium for the health and prescription drug insurance plan shall be the premium established by the healthcare committee for retirees and COBRA enrollees. The City also notes that it has proposed a 5.4% across the board wage increase effective July 1, 2005, for full-time employees, and that 2.4% of it is being proposed to "offset the cost to employees resulting from the City's proposal to have employees pay 10% of the premium for health and prescription drug insurance." See narrative at page 24.

The City's health plan is a "point of service" plan with both in network and out of network providers. See City Exhibit 26 and narrative at 24. The City argues that due to the size of the network and the variety of medical specialties available in it, it would be extremely rare that an employee would seek services out of the network. The City also notes that employees do not have to satisfy a deductible for its prescription drug co-payments, nor if services are obtained from in network providers. Narrative at 24-25.

The City argues that the cost of all the plans is currently paid 100% by it, yet the operating expenses for the medical and prescription drug plans since fiscal year 1998 have gone up over 87.17%, at a cost to the City of \$2,178,757. See narrative at 25. The City argues that it has incurred these increases in spite of many cost savings or efficiency measures that have been implemented since 1981, including, but not limited to, efforts to self-insure, offering an HMO plan, implementing employee assistance plan, and completing a comprehensive review of the entire group insurance plan. See narrative at 26-27. In 1992, the City introduced a flexible benefit plan to allow employees to set aside a portion of their salaries on a pre-tax basis, and the next year changed the third-party administrator and added

several cost containment measures. Finally, 1996, it formed a healthcare committee composed of representatives from bargaining unit and non-bargaining unit employees. The healthcare committee implemented several changes to the health, prescription drug and dental insurance plans, replaced the indemnity HMO plans with a "point of service" plan and obtained discounts from various area healthcare providers. The healthcare committee also discontinued payment by the City of the single premium for dental insurance. See narrative at 27.

Effective July 1, 2005, the City notes that its 188 non-bargaining unit employees will pay 10% of the premium for health and prescription drug insurance beginning on July 1, 2005. The City notes that these non-bargaining unit employees represent nearly 36% of the City's 518 full-time employees. See City narrative at 28.

The current monthly premiums for health insurance are: single, \$367.57; single plus one dependent, \$735.18; and family, \$937.34. Union Exhibit 21. The City's average increase in operating expenses on the current plan is 11.09% (narrative at 25), although everyone testified premiums will increase in fiscal year 2006 by around 10%. Union Exhibit 25.

The City notes that it is taking "affirmative steps" in its proposal to offset the cost to its employees. For example, the City notes that it has offered an additional 2.4% wage increase above the Consumer Price Index to offset the healthcare costs to employees. See City narrative at 28. In addition, the City argues that employees' ability to "pre-tax the premium contribution to the City's flexible spending program (City Exhibit 27)," will "more than offset the cost to employees for paying 10% of the health and prescription drug insurance premiums." Id.

The City notes that the health insurances increased around 11.09% from fiscal year to fiscal year since 1998. See narrative at 29. The City argues that under its proposal, premiums would have to increase 33.5% in fiscal year 2006 before the cost of sharing in the premium would exceed the amount of the 2.4% base wage increase. See narrative at 29-30. The City notes that this is the "first time" that the City has presented a proposal in arbitration seeking employee payment of a portion of the health and prescription drug premiums. Narrative at 30. The City argues that the "most important" reason it is seeking employee contribution to the health and prescription drug insurance premiums is to "prevent or minimize migration to the City's insurance plan by the spouses of our employees who have insurance made available to them through their employer but enroll in the City's plan because the premium is paid 100% by the City." According to the City, the spouses decline insurance from their employer because there may be some expense to enroll in their employers' plans. The City argues that it is "inappropriate" for City taxpayers to absorb the cost of providing health and prescription drug insurance when such a benefit is offered by another employer.

The City argues that another reason for seeking payment by employees for a portion of the health and prescription drug insurance premiums is that if employees have a "financial stake in the cost of insurance," they will become better consumers of healthcare." Id. The City argues that if employees participate in the cost of insurance, they will have a greater incentive to control costs than they would when insurance pays all or most of the costs." Id. The City argues that it is in the public interest and welfare for employees to share more in the cost of their health and prescription drug insurance. City narrative at 31.

The City argues that its insurance proposal is supported by both internal comparison and external comparability. City narrative at 32-34. The City notes that at least 5 of the 6 cities in the comparison group currently require employees to contribute to the cost of health and prescription drug insurance premiums. The City also notes that in the City of Des Moines, effective July 1, 2005, many employees will begin paying towards the cost of their health and prescription drug insurance premiums. "The prevailing practice is to have employees pay a portion of the health and prescription drug insurance premiums." City narrative at 32. The City also notes that effective July 1, 2005, the non-bargaining unit employees in the City of Dubuque (188 employees) will begin paying 10% of the cost of the health and prescription drug insurance premiums. Id.

The City also argues that it provides competitive health and prescription drug benefits (see City Exhibits 28-35) and it notes that it is the only City that does not have an annual deductible, which the City states means that employees in Dubuque do not have to pay a fixed sum of money before they are able to apply co-payments. The City also notes it has a low, annual out-of-pocket maximum, and one of the lowest prescription drug co-payment arrangements compared to other cities. Id. Finally, the City argues that its wage proposal will more than offset the impact to employees as a result of having to pay 10% of the premium, particularly in light of the most recent Consumer Price Index of 3%. See narrative at 33 and City Exhibit 36.

The City states that its not reasonable for employees to expect to be "held harmless" from the continuing increase in the cost of health and prescription drug benefits. When inflation erodes away their wages, the City argues that employees

expect to receive, and have received, wage increases that have more than offset the effects of inflation as measured by the Consumer Price Index. The City argues that the increase in the cost of medical care is a component of the Consumer Price Index. See narrative at 37.

**B. Union Position.** The Union proposes no change to the insurance language. The Union argues that its membership has received 100% paid health insurance premiums for over 30 years. While the Union admits that times are changing, the Union notes that it has voluntarily agreed to changes, most recently mid-term of the three year collective bargaining agreement in 2003 where it agreed to increased co-pays for all employees and also agreed to removing single dental insurance for all employees.

The Union argues that no other City Unions pay anything towards health insurance premiums, and further argues that the non-bargaining unit employees are not comparable to it in the types of work performed. Regarding comparability, the Union presented Union Exhibit 25, which compares co-payments and health insurance premiums to other comparable cities. (The Union notes that this exhibit contains a 10% assumed increase in health insurance costs for the City of Dubuque for fiscal year 2006, but that the premium comparability information for other cities are fiscal year 2005). The Union argues that a "jump" from 0% to 10% is a "huge" increase for its employees, and that its employees will move from the bottom of the comparability group to the top. They argue that since they do not know what the 2006 premiums will be, that requiring their membership to pay 10% of some "unknown quantity" is equivalent to giving the City a "blank check." The Union argues that the additional 2.4% wage increase is unlikely to offset the health

insurance premium increase. The Union requests that the arbitrator make no changes to the collective bargaining agreement on health insurance premiums.

**C. Findings of Fact.** The City and the Union agree on comparability, and compare their health insurance plan benefits to those in the following cities: Sioux City, Cedar Rapids, Davenport, Waterloo, Des Moines and Council Bluffs. See Union Exhibit 25 and City Exhibit 28. The parties agree that Sioux City is the only other city in the comparability group where employees do not share in the cost of premiums. (As the Union pointed out at the hearing, the recent City of Des Moines/MEA arbitration award required employees to pay a share of the premiums). The trend in the State of Iowa is to require employees to share more in the cost of health insurance with the employer. Based on comparability to similarly situated employees, therefore, the arbitrator finds that the City's insurance proposal is the most reasonable.

The Union argues that the City's proposal is too drastic, and that, according to Union Exhibit 25, its membership will move from the bottom of the comparability group to the top in terms of employee contribution. However, the Union admits that the comparability data on Union Exhibit 25 contains last year's comparisons to other employers (fiscal year 2005). Therefore, Union Exhibit 25 is really not an "apples to apples" comparison. The only evidence presented by the parties on fiscal year 2006 health insurance premiums was the Union's reference to the City of Des Moines/MEA arbitration award, and the City's reference to the City of Cedar Rapids/Firefighter's Local 11 fact-finding award, both of which required employees to share in at least a fraction of increased health insurance costs. See City narrative at 36-37.

In addition, the arbitrator notes that the City's wage proposal was specifically designed to account for the increased cost to employees. "2.4% of the City's 5.4% across the board base wage increase is being proposed to offset the cost to employees for paying 10% of the health and prescription drug insurance premium." See City narrative at 28. Moreover, the City also emphasizes its Section 125 plan will more than offset the cost to employees for any additional expenses. Wages and insurance, of course, are separate issues for impasse procedures. However, an arbitrator cannot ignore the financial impact of both these issues on the City and Union.

The arbitrator also notes that the City's non-organized employees constituting nearly 40% of the City's workforce are similarly going to begin paying 10% of the health and prescription drug insurance premiums in July, 2005. While these non-organized employees are not truly comparable, the fact that a substantial portion of other City employees are also paying 10% of the health and prescription drug insurance premiums is a "relevant" factor. In addition, the City has testified that it is similarly proposing to the other internal City unions negotiating collective bargaining agreements this year that the employees in those units also pay 10% of the health and prescription drug insurance premiums. Again, the arbitrator is not suggesting that other internal city unions are truly comparable to the Teamsters unit in this case, but the fact that the City is proposing that those internal city unions also contribute 10% of the health and prescription drug insurance premiums is a "relevant" factor and proof of the bargaining history within the City. As stated in other awards, the arbitrator believes that such consistency in insurance plan proposals is arguably concrete proof of the City's good faith, as it is requesting all

employees (union and non-union) to participate in the insurance plan and/or costs, and it also encourages trust among the various unions that one group is not receiving a "better deal" by holding out or forcing the issue to arbitration.

The arbitrator also finds that it is in the public interest and welfare to require employees to share more in the cost of health insurance with the employer and to also receive adequate insurance consistent with comparable employers. The arbitrator has stated elsewhere that he believes that if employees are required to participate in the cost of insurance, they will have greater incentive to control costs, and also arguably have more incentive to be more mindful of costs than when insurance pays all or most of the costs. Employees also become better informed consumers of healthcare. Cost sharing is also good for labor-management relations as it ensures that both parties will seriously bargain health insurance issues, and work jointly to cut costs and explore other options. In this respect, the arbitrator notes that the parties (along with other representatives) have established a City of Dubuque Joint Labor Management Healthcare Committee which has resulted in various changes in insurance and savings to the parties. See Union Exhibit 13 and City Exhibit 24-37. While Teamster members claim they feel "insulted" by the fact that they agreed to make voluntary changes to their benefits and the City of Dubuque is now "pushing their proposal for 10% employee co-payments on health insurance premiums" (see Union Exhibit 13), the arbitrator believes that since **both** parties benefit from health insurance, that **both** parties must be prepared to assume a portion of the risk and to share in any increased costs. Instead of a "glass half empty" conclusion, the arbitrator believes that the parties here – who are represented by skilled and experienced negotiators (Dave

Baker and Randy Peck) – should look at continued negotiations on health insurance with a “glass half full” attitude. The record is replete with evidence containing the success of the collective bargaining process to resolve these issues. Compare Union Exhibit 13 and City narrative at 26-28. The arbitrator believes the tax-paying public benefits from the increased communication between the City and Union as they explore ways to control insurance costs for everyone.

As part of its insurance proposal, the City also lists Sections 7 and 9 of Article 29. See City Exhibit 2. Except for an additional sentence at the end of Section 7 which clarifies that “group insurance plans include health insurance, prescription drug insurance, life/accidental death insurance, and disability income protection insurance,” the language of Section 7 and 9 as proposed by the City appears identical to the existing contract. See collective bargaining agreement at pages 21-22 and compare to City Exhibit 2 (City’s proposal). Since the Union argues to maintain the current contract language on insurance, and did not argue otherwise at the hearing, there appears to be no objection to Sections 7 and 9.

However, the arbitrator has one observation on the Section 125 accounts. Section 9 of the current collective bargaining agreement states that the City shall provide IRS Section 125 flexible spending accounts to its employees. The tax benefit to employees is substantial. See City Exhibit 27, page 3 (example of savings). Briefly, the flexible spending account permits employees to subtract any insurance premiums or out-of-pocket medical expenses from gross pay and subject the remaining amount to federal, state and social security taxes. Although the parties disagreed about the actual final take home pay available to its employees, it is simply undisputed that treating insurance premiums, out-of-pocket medical

expenses, and dependent care expenses on a pre-tax basis results in a higher take home pay to an employee under any analysis. It lowers the wages subject to federal, state, and social security taxes depending upon the employee's tax bracket.

A careful review of the collective bargaining agreement submitted by the Union indicate that a substantial number of employers offer such flexible spending accounts to their employees, including other Teamster units. See, e.g., AFSCME/Iowa City School Board, Union Exhibit 5, page 28; Cedar Rapids Library/CWA, Union Exhibit 8, page 15; City of Cedar Rapids/AFSCME, Union Exhibit 7, page 21; City of Cedar Rapids/Teamsters Local #238, Union Exhibit 9 at page 13; City of Cedar Rapids/Firefighters, Union Exhibit 10 and letter of understanding signed May 17, 2004; and City of Cedar Rapids/Teamsters Local #238 (Police), Union Exhibit 12, page 18. The arbitrator urges the parties to encourage participation in the Section 125 accounts, and assist employees in proper planning and budgeting for them.

Therefore, based on the collective bargaining history of the parties, a comparison to other public employees doing comparable work, the interest and welfare of the public, and the ability of the City of Dubuque to fund such an insurance policy, the arbitrator believes that the City's proposal on insurance is the most reasonable.

### **3. Article 31 – Wages.**

**A. City Position.** The City proposes that July 1, 2005, the wage plan be increased by 5.4% across the board for all full-time employees. The City also proposes that on July 1, 2005, the wage plan (Addendum B) in effect for temporary

seasonal employees shall be increased by 3% across the board. The City also argues that there be no change to the existing language of the agreement (Article 28) regarding payment for "callback." The City notes that its wage offer was intended to "offset" any health insurance premiums. The City also notes that its employees historically have received one of the highest percentage increases of all City employees (see City Exhibit 7), and that its wages are ranked either first, second or third in the external comparability group. See City Exhibit 8. The City believes that employees in this group are among the best paid employees in the City. The City believes this is reflected in the fact that the average employee has been employed in this unit around 18 years, and that there has been relatively low turnover. The City claims that the last several times the job openings did occur, the City received hundreds of applications for it.

The City also proposes that the wage plan (Addendum B) in effect in June 30, 2005, for temporary and seasonal employees should be increased by 3% across the board, and to continue with the existing practice of providing an additional \$.40 per hour for seasonal employees who have worked over 3,500 hours in a seasonal position. See City narrative at 17. The City argues that seasonal employees who have worked over 3,500 hours in the seasonal position have received the same across the board base wage increase as the full-time bargaining unit employees have received. City narrative at 18-19. The City argues that over a three year period (2003, 2004 and 2005), the base wage for employees that have worked over 3,500 hours in the seasonal position have increased around 17%. See City narrative at 19. The City argues that the rate of pay for seasonal employees is competitive with the rate of pay for other similarly situated seasonal

employees (City Exhibit 18), and with other comparable employers (City Exhibit 19). Finally, the City argues that any alleged disparity to the existing wage plan for full-time employees and the wage plan for seasonal employees was resolved in last year's fact-finding and arbitration which was concluded six months ago. City narrative at 19. The City argues that "nothing" has occurred in the last six months which would warrant such an increase as proposed by the Union. Employees will begin paying 10% of the premium on health insurance effective July 1, 2005.

Regarding the "callback" issue (Article 28), the City argues that it is clearly an issue regarding the subject category of "wages," and that there is no need for any further adjustment to this provision. The City notes that an arbitrator awarded the "callback" pay to the Union as a result of a 1996 arbitration award. Further, at least one arbitrator examined the issue in 2004, and not only found that "callback" was a "wage" issue, but refused to change the language. The City again proposes no change to the "callback" language, and requests that its wage increases be approved.

**B. Union Position.** The Union proposes that July 1, 2005, the wage plan for all employees shall be increased by 3.47%. Regarding long-term seasonal employees (Addendum B), the Union proposes to increase the additional compensation for seasonal employees from \$.40 per hour to \$.80 per hour, in addition to the 3.4% across the board wage increase the Union has proposed. See Union Exhibit 1. The Union argues that "callback" pay is also a separate item for impasse resolution, and that it does not fall within the subject category of "wages." The Union further proposes to increase the "callback" pay for sewer maintenance employees, traffic signal technicians, and certain snow

removal employees from two hours of pay to four hours of pay. The Union notes that this language effects only three classifications of employees, would affect only around 16 employees, and further argues that its position is supported by comparability to other comparable employers that pay "callback" pay. See Exhibits 4, 5 and 6 regarding Waterloo, Cedar Rapids, and Dubuque.

**C. Findings of Fact.<sup>3</sup>** The City stated that at least 2.4% of its 5.4% wage offer was being proposed "to offset the cost to employees for paying 10% of the health and prescription drug insurance premiums." This is an implicit admission by the City that if the arbitrator awards its health insurance proposal, the City admits that its wage proposal is the most reasonable. Its offer of 3% to all employees on Addendum B is also the most reasonable. The Union's proposal for an across the board raise plus adding an additional \$.40 is not supported by history or comparability and this classification received a wage increase from a factfinder effective 2005 that was intended to correct any "disparity." City narrative at 18. Finally, for the reasons stated in footnote 3, the Employer's "callback" proposal is the most reasonable.

Taken as a whole, therefore, the City's entire wage proposal consisting of the "callback" language, the 5.4% wage increase across the board, and 3%

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<sup>3</sup> The arbitrator finds that Article 28, "callback" constitutes "wages" and that the City's entire final offer on "wages" is the most reasonable. At least one arbitrator has similarly ruled, and neither party submitted any contrary evidence. Nonetheless, in the event it is a separate impasse item, the arbitrator would still find the City's offer the "most reasonable." Another arbitrator ruled on the same issue November, 2004, and observed that the "callback" practice has not "changed" since the Union was awarded the days in 1996. Union Exhibit 33, at page 7. Like the shift differential language (Article 27), the current standby/callback reimbursement of two hours pay or compensatory time is not out of line with comparable employers. See Union Exhibit 4, 5 and 6. There was no evidence of comparability for these particular job classifications either, and the arbitrator was unable to determine on this record why these employees should be treated differently than others. Finally, another arbitrator also noted that in the City of Dubuque, the only other employees to receive callback pay are water distribution employees who are "on call for a full week and wear a pager." Union Exhibit 33, page 7. Accordingly, based on comparability, collective bargaining history, and the public interest and welfare, in the event callback pay is a separate item, the City's proposal is the most reasonable.

Addendum B increase across the board is the most reasonable. The wage increase is not only higher than the wage increases of similarly situated comparable employers (see City narrative at page 17 and Exhibit 7) but is higher than the Consumer Price Index numbers cited by both parties, and is consistent with the bargaining history of the parties. See City Exhibit 7. The evidence also clearly indicates that the Union has not historically accepted lower wage settlements than their counterparts in other cities. See City Exhibit 17. In fact, since 1991, the Teamsters in Dubuque have always ranked near the top, and in fact, have received the highest wage increases four (and perhaps five including 2006) out of 15 years (1991, 1995, 2003 and 2004). Id. The arbitrator also believes that it is in the public interest and welfare for these employees to receive a wage increase comparable to other similarly situated employees in the State of Iowa. Finally, the City of Dubuque is not making an inability to pay argument. Therefore, based on the collective bargaining history of the parties, a comparison to other public employees doing comparable work, the interest and welfare of the public, and the ability of the City of Des Moines to fund such an increase, the arbitrator believes that the City's proposal on wages is the most reasonable.

#### **H. CONCLUSIONS OF LAW/AWARD**

In accordance with the statutory criteria imposed upon the arbitrator, the arbitrator determines as follows:

1. **Article 27 – Night Shift Premium Pay.** The City's final offer is selected as the most reasonable.
2. **Article 29 – Group Insurance.** The City's final offer is selected as the most reasonable.

3. Article 31 - Wages.<sup>4</sup> The City's final offer is selected as the most reasonable.

Dated this 2<sup>nd</sup> day of May, 2005.



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Wilford H. Stone, Arbitrator  
Cedar Rapids, Iowa

CERTIFICATE OF SERVICE

I certify that on the 2<sup>nd</sup> day of May, 2005, I served a copy of the foregoing Arbitration Award upon the following persons by mailing pursuant to the Iowa Code and the Iowa Rules of Civil Procedure:

Susan M. Bolte  
Administrative Law Judge  
Iowa Public Employment Relations Board  
514 East Locust Street, Suite 202  
Des Moines, Iowa 50309-1912

Randy Peck  
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Dubuque, IA 52001

Dave Baker  
195 East 14<sup>th</sup> Street  
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Milwaukee, WI 53212



<sup>4</sup> In the event Article 28, "callback", constitutes a separate impasse item under Iowa Code Section 20.9 and 20.22(1)(2005), the City's final offer is selected as the most reasonable.